

MINUTES OF THE REGULAR CITY COUNCIL MEETING
TUESDAY- -JULY 15, 2008- -7:30 P.M.

Mayor Johnson convened the Regular Meeting at 7:40 p.m.
Councilmember Gilmore led the Pledge of Allegiance.

ROLL CALL - Present: Councilmembers deHaan, Gilmore,
Matarrese, Tam, and Mayor Johnson - 5.

Absent: None.

AGENDA CHANGES

(08-302) Mayor Johnson announced that Resolution Commending Alameda Chief Financial Officer [paragraph no. 08-305] would be heard before the Consent Calendar.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY AND ANNOUNCEMENTS

(08-303) Introduction of Fiscal Sustainability Committee Members.

Mayor Johnson introduced Committee Members; stated educating the public is one of the committee's purposes; choices will need to be made once options are known.

Councilmember Matarrese stated the committee has a fine representation of expertise; he has confidence that the City Auditor and Treasurer will help guide the process; it is important that staff provide needed information; thanked the members for volunteering.

Councilmember deHaan stated this year's budget process is a reflection of decisions made ten to twenty years ago; ensuring that today's decisions will be easier to handle in the future is important.

(08-304) Presentation by the Park Street Business Association on the 24th Annual Art and Wine Faire.

Robb Ratto presented wine glasses to Council; stated the Art and Wine Faire will be held from 10:00 a.m. to 6:00 p.m. on July 26 and July 27.

REGULAR AGENDA ITEM

(08-305) Resolution No. 14243, "Commending Alameda Chief Financial Officer Juelle-Ann Boyer for Her Many Contributions to the City of

Alameda." Adopted.

Mayor Johnson read and presented the resolution to Ms. Boyer.

Ms. Boyer stated that she has enjoyed working for the City; thanked Council for the resolution.

Kevin Kearney, City Auditor, stated that he has enjoyed working with Ms. Boyer; Ms. Boyer has done an outstanding job and will be sorely missed.

The City Manager stated Ms. Boyer has helped her tremendously; that she has relied on Ms. Boyer's advice and assistance.

Councilmember Matarrese moved adoption of the resolution.

Vice Mayor Tam seconded the motion, which carried by unanimous voice vote - 5.

CONSENT CALENDAR

Councilmember Matarrese moved approval of the Consent Calendar.

Councilmember deHaan seconded the motion, which carried by unanimous voice vote - 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(*08-306) Minutes of the Special Joint City Council, Alameda Public Financing Authority, Alameda Reuse and Redevelopment Authority, and Community Improvement Commission Meeting held on June 17, 2008. Approved.

(*08-307) Ratified bills in the amount of \$1,346,956.64.

(*08-308) Recommendation to adopt Plans and Specifications and authorize Call for Bids for traffic striping, Phase 6, No. P.W. 10-07-31. Accepted.

(*08-309) Resolution No. 14244, "Authorizing the City Manager to Submit Two Grant Applications to CalTrans for the Federal Safe Routes to School Program for Fiscal Year 2008-2009, and to Execute All Necessary Documents to Implement the Project." Adopted.

REGULAR AGENDA ITEMS

(08-310) Recommendation to adopt the City's Americans with Disabilities Act Transition Plan update.

The Administration Management Analyst ADA Coordinator gave a brief presentation.

Jim Fruit, Sally Swanson Architects, gave a Power Point presentation.

Vice Mayor Tam stated that retrofitting costs are pretty daunting; requested confirmation of the total estimated cost.

Mr. Fruit stated that costs cannot be nailed down to the penny because there are so many variables; an averaging was done; some costs may be underestimated but become closer to actual costs because of inflation.

The Administration Management Analyst ADA Coordinator stated the Public Works Department set aside \$250,000 each year for the next two years; future improvements would be based on when funding becomes available.

Vice Mayor Tam stated that costs could add up to approximately \$20 million by using today's dollar.

The Administration Management Analyst ADA Coordinator stated the City is not required to spend a certain amount of money or complete a certain amount of work; the City needs to show the Department of Justice that consistent efforts are being made toward making improvements and removing barriers.

Councilmember Matarrese stated an unfunded liability exists; it is important to know what the cost would be to completely comply today.

The Administration Management Analyst ADA Coordinator stated the Transition Plan totals \$29 million, which includes \$9 million in concrete work and \$20 million in public right-of-way work, which is based on a five-mile sample of one hundred and thirty miles.

Councilmember Matarrese stated the public needs to know that the City would be cutting \$29 million of unfunded liability.

Mayor Johnson stated the Fiscal Sustainability Committee should take the matter into consideration.

Councilmember deHaan inquired how priorities are set.

Mr. Fruit responded City Hall and Alameda Power and Telecom would

be the highest priority and provide the most accessibility for the least cost; stated priorities are listed on a scale of one to five.

Councilmember deHaan stated City Hall was renovated approximately fifteen years ago and was ADA compliant.

The Administration Management Analyst ADA Coordinator stated laws have changed.

Vice Mayor Tam moved approval of the staff recommendation.

Councilmember Matarrese seconded the motion, which carried by unanimous voice vote - 5.

(08-311) Resolution No. 14245, "Submitting to the Electors at the Consolidated Municipal Election in the City of Alameda on November 4, 2008, a Proposal to Amend the City of Alameda Municipal Code to Increase the Real Property Transfer Tax." Adopted.

The Deputy City Manager gave a brief presentation.

Councilmember Matarrese inquired what is the timeline for getting the proposed measure on the November ballot.

The Deputy City Manager responded August 8 is the deadline for submittal; stated a real property transfer tax is a general tax and can only be placed on a general election ballot.

Curt Below, Fairbank, Maslin, Maullin & Associates, gave a Power Point presentation.

Councilmember deHaan inquired what percentage of individuals polled were owners, to which Mr. Below responded 68%.

Vice Mayor Tam stated the recent [School District] parcel tax measure had a low-income and senior exemption; the parcel tax and proposed real property transfer tax would be limited to twenty years; inquired whether the time limit is common or whether cities have the option for a CPI increase over time.

Mr. Below responded both options are available.

Mayor Johnson stated that people seem to prefer cuts over paying additional taxes to maintain services.

Mr. Below stated results indicate that people support some cuts.

Mayor Johnson inquired whether the survey addressed cuts to pay for unfunded liabilities, to which Mr. Below responded in the negative.

Councilmember Gilmore stated reactions were strong regarding cuts to public safety and paramedic services; said services are the most expensive to provide.

Mr. Below stated opposition to public safety cuts is common.

Councilmember Gilmore stated everybody likes the level of City services, particularly public safety, but nobody wants to figure out a way to pay for said service.

Mayor Johnson stated closing all libraries would not pay for what is needed to start paying unfunded public safety retiree benefits; Council needs to do a much better job of educating the public.

Councilmember Matarrese inquired what was the exact question asked regarding Police and Fire salaries and benefits.

Mr. Below responded the question was "The City of Alameda currently has a budget shortfall of \$5 million. If additional revenues are not found, the City may have to make cuts in existing City Services. With this in mind, I am going to mention some of the services the City provides its residents. After you have heard each one, please tell me whether you think large cuts should be made to that service in order to balance the budget, or just some cuts should be made, or no cuts at all should be made to that service to balance the City budget."

Councilmember Matarrese stated that retiree benefits should have been separated out.

Mr. Below continued the presentation.

Councilmember deHaan inquired whether the public understands the ramifications [if the proposed tax does not pass].

Mr. Below responded generally no; stated more detail could have been given if the proposed real property transfer tax was the only issue surveyed.

Vice Mayor Tam stated that she sees very little elasticity within the margin of error by going from a \$5.40 tax rate to \$12.00 or \$15.00.

Mr. Below concurred with Vice Mayor Tam; stated that he could not

say points would be gained by dropping the amount a few dollars.

Vice Mayor Tam inquired whether lack of elasticity is typical, to which Mr. Below responded definitely.

Mr. Below continued the presentation.

Vice Mayor Tam requested clarification on projected revenue generation; stated the City would expect to receive \$4.1 million by using the \$5.40 per \$1,000 value calculation; \$14.50 per \$1,000 of value would generate \$6.9 million.

The Deputy City Manager stated \$6.9 million would be added to the \$4.1 million.

Vice Mayor Tam stated \$4.1 million is based on a conservative assumption that real estate turnover would continue at the current level.

The Deputy City Manager stated that she did not make any market slowdown or turnaround adjustments.

The City Manager stated the \$4.1 estimate is less than what was anticipated for last fiscal year; assumptions were made that the transaction volume would stay the same.

Councilmember Gilmore stated Council knew that the budget would need to be revisited in three months; all realistic cuts have been made that would not greatly affect the level of City services.

Mayor Johnson inquired how the budget is affected by mutual aid response costs.

The City Manager responded State mutual aid costs are reimbursed at the overtime rate.

Mayor Johnson inquired whether the State reimburses the City for overtime incurred within the City when mutual aid calls are requested.

Councilmember deHaan inquired whether the City is reimbursed at the City's rate, not the State flat rate.

The City Manager responded information would be provided.

Councilmember deHaan inquired whether there is a list of comparables [tax rate for other Alameda County cities].

The Deputy City Manager responded real property transfer tax is only an option for Charter cities; stated currently, Albany's tax rate is \$11.50 per \$1,000 value; Albany voted to place a measure on the ballot to increase the tax rate to \$14.50; Berkeley's tax rate is \$15.00; Hayward's tax rate is \$4.50; Oakland's tax rate is \$15.00; Piedmont's tax rate is \$13.00; San Leandro's tax rate is \$6.00.

Councilmember deHaan inquired when the tax was raised last.

The Deputy City Manager responded initially, the tax was imposed in 1967 and was fifty-five cents per thousand; stated the tax was raised to \$2.20 per \$500 value in 1978; the tax was raised to \$5.40 per \$1,000 value in 1993.

Mayor Johnson inquired whether an option could be to raise the tax rate on a step basis.

The City Attorney responded a CPI adjustment is not recommended; stated a step base would require a very specific number on a specific schedule.

Mayor Johnson inquired whether a step percentage basis would be an option.

The City Attorney responded percentages are not done for real property transfer taxes.

The Deputy City Manager stated that Mayor Johnson was referring to \$12.00 for the first \$700,000 value and a different amount for the balance.

The City Attorney stated such formula could be done.

The Deputy City Manager stated a \$12.00 tax rate would generate an additional \$5 million for a total of \$9.1 million; Berkeley and Oakland make fifty cents of the \$15.00 rate available to property purchasers for seismic retrofits; adding fifty-cents for seismic retrofitting would turn the tax into a special tax and would require a two-thirds vote.

Councilmember deHaan inquired when Oakland's tax rate was increased.

The Deputy City Manager responded that she did not know; stated information she has dates back to June, 2006.

Mayor Johnson inquired whether a comparison was made on taxing mechanisms in other cities.

The Deputy City Manager responded Alameda is relatively low for northern Alameda County; stated Oakland and Berkeley have extra taxes.

Councilmember deHaan inquired whether 52% support is a good threshold.

Mr. Below responded 52% is a pretty soft number; stated going forward would be risky, but could be done.

Mayor Johnson stated the margin of error is 5%.

Mr. Below stated that he would like to see definite numbers higher.

The Deputy City Manager continued the presentation.

Mayor Johnson opened the public portion of the meeting.

Opponents (Not in favor of resolution): Rob Platt, Alameda Association of Realtors; Troy Staten, Alameda Association of Realtors; Steve Sorensen, Alameda (submitted document).

There being no further speakers, Mayor Johnson closed the public portion of the hearing.

Mayor Johnson stated that the Alameda Association of Realtors supported raising the real property transaction tax several years ago.

Mr. Platt stated the market was different at that time.

Councilmember Gilmore stated other tax mechanisms have less support than the proposed real property transaction tax; inquired whether Mr. Platt has any ideas on how the burden could be shared equally.

Mr. Platt responded that people who are forced to sell would bear the burden of the entire budget deficit.

Councilmember Gilmore stated citizens do not want public safety services cut; the City does not have the revenue to maintain the same level of public safety services.

Mayor Johnson stated budget cuts were made by taking money out of

the fund balance and refinancing bonds; that she is surprised to hear that the Alameda Association of Realtors would actively oppose any increase.

Mr. Platt stated that the Alameda Association of Realtors opposes a \$12.00 or \$14.00 rate; there is an overwhelming opposition to any increase given the current state of the economy.

Mayor Johnson stated that cuts would need to be made if revenue is not increased; it would be helpful to know what the Alameda Association of Realtors would oppose or support.

Mr. Platt stated that he is not in a position to provide said information; he would guess that opposition would be less vigorous if the increase was lower.

Councilmember Gilmore stated that she is sympathetic to Mr. Platt's position, but the membership should be concerned that potential buyers would be faced with the possibility of closed parks, decreased library hours, and possible fire station brown-outs.

Councilmember deHaan stated Council has been working through the budget for quite a while; Council had discussions with the real estate community in the past and needs go through an education process regarding the current crisis.

Mr. Platt stated the City Manager spoke to the Alameda Association of Realtors last week; the Association did not have much time to discuss the matter.

Councilmember deHaan stated that he apologizes for the short notice.

Mayor Johnson stated budget problems have been discussed at many public meetings.

Councilmember deHaan stated the media reported that the City has a balance budget, which is not the case.

Councilmember Matarrese stated Council was very clear [regarding the budget]; funds are available for three months of Fire Department overtime before possible brown-outs; closing all of the libraries and parks would not balance unfunded liabilities; ADA compliance requirements total \$29 million.

Mayor Johnson stated Council was not happy with a band-aid approach to balance the budget and wanted to explore options for revenue

enhancements before making dramatic cuts to services; the proposed real property transaction tax has been an option for several years.

Councilmember deHaan stated an excellent point has been made regarding the burden being shared disproportionately; Council did not discuss taxes in general.

Vice Mayor Tam stated that she respectfully disagrees with Councilmember deHaan; staff did a very comprehensive job in reviewing an array of thirty revenue-enhancing measures; discussions involved whether or not one tax generated more revenue than another; all taxes would affect one segment of the population versus another.

Mayor Johnson stated the polling consultant tested potentially viable revenue options; the real property transaction tax would be the most likely to succeed; voters need to be given a choice before cuts are made to pay for unfunded liabilities.

Councilmember Gilmore stated a lot of time was spent on reviewing various options; a lot of the options would not provide the necessary revenue.

Mr. Sorenson inquired whether sales tax or a utility users' tax would generate enough revenue.

Mayor Johnson responded Alameda does not generate enough sales tax to be a significant budget factor.

Councilmember Gilmore stated the City's sales tax base is very low; citizens oppose major tax contributing entities coming into the City because of potential increased traffic congestion; residents end up carrying the tax burden.

Mayor Johnson stated that the City's sales tax generation is dismal compared to other cities.

Vice Mayor Tam stated that service cuts should not be made to the point that there is an outcry from the community; City government does not operate to the detriment of its citizens.

Mayor Johnson stated public safety retirement benefit costs have not been paid; the public has been sheltered from the realities of budget issues.

Councilmember deHaan stated that Council opted not to pay principle or interest in the first two years when bonds were refinanced;

increasing the real property transaction tax to \$10.00 would generate \$3.5 million; all sales tax for the next fifteen years would not equal said amount.

Mayor Johnson stated increased sales tax is not a viable solution to the problem; residents are contributing money to other cities.

Councilmember Matarrese stated the real property transaction tax is a sales tax on house sales; people need to know that the proposed tax would go for public safety services; the proposed tax has not been raised since 1993 and is due; employee medical cost benefits have risen by 600% since he was on Council a couple of years ago; the approved budget was a three month budget because that is when Fire Department overtime funds run out and brown-outs may occur; Alameda is comparable to the City of Vallejo; people were very generous on voting for Measure H; house values decline when services deteriorate.

Mayor Johnson stated the proposed real property transaction tax amount needs to be discussed.

Councilmember Gilmore moved adoption of resolution with an amendment to change the real property transfer tax rate to \$12.00 per \$1,000 of value; requested that a Plan B be established prior to the election in case the measure does not pass.

Councilmember Matarrese seconded the motion.

Under discussion, Councilmember deHaan stated that he would prefer a \$10.00 tax rate; homes sold for approximately \$120,000 in 1993; homes sell for approximately \$600,000 today.

Mayor Johnson stated that she would prefer no increase, but an amount needs to be determined to help the budget situation.

Vice Mayor Tam stated that she supports the motion; that she cautions against lower amounts because some assumptions are built in regarding volume of home sales; depressed home sales would decrease revenue.

Councilmember Matarrese stated Alameda Point activity needs to be factored in as well.

Vice Mayor Tam inquired whether the motion needs to include direction regarding preparation of ballot arguments.

The City Manager responded separate motions can be made; stated a

subcommittee could write the ballot argument and rebuttal.

Mayor Johnson inquired whether the motion stipulated the \$12.00 rate and included a Plan B.

Councilmember Gilmore stated that the City Manager would present Plan B, which would address where cuts would be made if the ballot measure does not pass; she does not want Plan B to be included in the motion because it should be a stand-alone item as opposed to being bundled into the proposed real property transaction tax.

On the call of the question, the motion carried by unanimous voice vote - 5.

Councilmember Matarrese moved approval of directing the City Attorney to prepare the impartial analysis.

Councilmember Gilmore seconded the motion, which carried by unanimous voice vote - 5.

Vice Mayor Tam moved approval of having Councilmembers deHaan and Matarrese prepare the argument in favor and having the Mayor sign on behalf of the Council.

The Deputy City Manager stated the Mayor could sign on behalf of all Councilmembers; other signatures could be obtained to show broad based support for the measure.

Vice Mayor Tam inquired whether the subcommittee could organize a community task force.

The City Attorney responded in the negative; stated the subcommittee would be preparing an argument in favor of the measure and a rebuttal if necessary.

Councilmember Matarrese seconded the motion, which carried by unanimous voice vote - 5.

(08-312) Resolution No. 14246, "Calling a Consolidated Municipal Election in the City of Alameda on November 4, 2008, for the Purpose of Submitting to the Electors a Proposal to Amend the City of Alameda Charter by Amending Sections 2-4, 2-6, 2-9, 3-7(A), 3-7(B), 3-7(C), 3-7(F), 3-7(I), 3-15, 9-1(E), 12-3(D), 17-10, 22-4, and 28-6(A) Thereof; by Deleting Sections 3-7(E), 3-15.1, 17-11, 23-4, 23-5, Art. XXV, and 28-6(B) Thereof; and by Adding Section 2-16 Thereto, to Delete Obsolete and Unclear Language and Conform to General Law and Other Sections of the Charter; and Proposing Said

Charter Amendments." Adopted;

(08-312A) Resolution No. 14247, "Calling a Consolidated Municipal Election in the City of Alameda on November 4, 2008, for the Purpose of Submitting to the Electors a Proposal to Amend the City of Alameda Charter by Requiring the Auditor to Have a Certified Public Accountant License or a Related Degree, and Eliminating the Bond Requirement; and Proposing Said Charter Amendment." Adopted;

(08-312B) Resolution No. 14248, "Calling a Consolidated Municipal Election in the City of Alameda on November 4, 2008, for the Purpose of Submitting to the Electors a Proposal to Amend the City of Alameda Charter by Requiring the Treasurer to be Licensed and Revising the Duties of the Office; and Proposing Said Charter Amendment." Adopted;

(08-312C) Resolution No. 14249, "Calling a Consolidated Municipal Election in the City of Alameda on November 4, 2008, for the Purpose of Submitting to the Electors a Proposal to Amend the City of Alameda Charter by Eliminating Transportation from the Jurisdiction of the Public Utilities Board; and Proposing Said Charter Amendment." Adopted;

(08-312D) Resolution No. 14250, "Calling a Consolidated Municipal Election in the City of Alameda on November 4, 2008, for the Purpose of Submitting to the Electors a Proposal to Amend the City of Alameda Charter by Requiring Contracts to be in Writing and the City is not Bound by a Contract that Does not Comply with the Charter; and Proposing Said Charter Amendment." Adopted;

(08-312E) Resolution No. 14251, "Calling a Consolidated Municipal Election in the City of Alameda on November 4, 2008, for the Purpose of Submitting to the Electors a Proposal to Amend the City of Alameda Charter by Deleting Reasons for Removal of Historical Advisory Board Members; and Proposing Said Charter Amendment." Adopted;

(08-312F) Resolution No. 14252, "Calling a Consolidated Municipal Election in the City of Alameda on November 4, 2008, for the Purpose of Submitting to the Electors a Proposal to Amend the City of Alameda Charter by Authorizing Council to Determine when City Offices are to be Open for Business; and Proposing Said Charter Amendment. Adopted; and

(08-312G) Resolution No. 14253, "Calling a Consolidated Municipal Election in the City of Alameda on November 4, 2008, for the Purpose of Submitting to the Electors a Proposal to Amend the City of Alameda Charter by Allowing the City Manager or Designee to Exceed Sum Provided by General Law and Forego Competitive Bid for Public Work or Improvement or Purchase of Materials or Supplies in an Emergency; and Proposing Said Charter Amendment." Adopted.

Councilmember Matarrese stated the subcommittee did a good job.

Councilmember Matarrese moved adoption of the resolutions.

Councilmember Gilmore gave a brief review of the Charter Review Meeting.

Vice Mayor Tam stated Council discussed potential, future Charter amendments regarding Mayor and Councilmember compensation; authority of Council over the appointment of department heads; and Council's role in the appointment of Board and Commission members; comments received revolved around the form of government Alameda residents want to see; empowering Council with more responsibilities would require commensurate staffing support.

Councilmember Gilmore stated the public thought that the matter should be a citywide discussion.

Councilmember deHaan stated the issue could be discussed in the next wave.

Councilmember deHaan seconded the motion, which carried by unanimous voice vote - 5.

Councilmember deHaan moved approval of directing the City Attorney to prepare the impartial analyses.

Councilmember Matarrese seconded the motion, which carried by unanimous voice vote - 5.

Councilmember Matarrese moved approval of having the subcommittee [Vice Mayor Tam and Councilmember Gilmore] prepare the arguments in favor and having the Mayor and four Councilmembers sign.

Councilmember deHaan seconded the motion, which carried by unanimous voice vote - 5.

ORAL COMMUNICATIONS, NON-AGENDA (Public Comment)

(08-313) Alan Elnick, Alameda City Employees Association (ACEA), discussed contracting out services for the Golf Course to a private enterprise; requested that ACEA be allowed to provide input to any Requests for Proposals.

(08-314) Terry Flipppo, ACEA, stated ACEA would like to be part of the solution to the Golf Course situation.

(08-315) Bill Hudson, Recreation and Parks Department employee, stated that the City's well-trained workers would be sacrificed by contracting out services at the Golf Course.

COUNCIL REFERRALS

(08-316) ICLEI update with specific auto use and congestion issues highlighted.

Councilmember Matarrese stated cuts made to the tree program were almost directly counter to what was approved in the Climate Protection Plan; requested a status report on 1) the City Vehicle Use Policy; 2) Eco-pass for City employees, including alternatives; and 3) biodiesel use in City vehicles; directed the Youth Commission and Transportation Commission work on an automobile trip reduction plan for various schools in time for the 2008-2009 school year; stated Island Drive and Central Avenue and Oak Street have no traffic problems during the summer; traffic problems come back when school resumes; the City discussed the matter at a joint meeting with the School District in March 2007; Lincoln Middle School, Alameda High School, and Chipman Elementary School were recognized as areas that needed attention.

Mayor Johnson stated that Amelia Earhart Elementary School should be added.

Councilmember Matarrese stated said school is tied to Lincoln Middle School.

Mayor Johnson stated the Lincoln Middle School Parent Association performed surveys and have encouraged students to ride bicycles and carpool.

Councilmember Matarrese stated the ICLEI Plan is to be evaluated bi-annually.

The City Manager stated an update is scheduled for August; she is not sure whether anything could be accomplished before the beginning of the school year.

Mayor Johnson stated School Board student representatives could meet with Youth Commission members to start putting things in place to work on in the fall.

Councilmember deHaan stated the City Vehicle Use policy would be coming back to Council.

Mayor Johnson stated that the Eco-pass survey should be reviewed before other options are considered.

The City Manager stated the green building and landscaping ordinance would be presented at the next Council meeting.

Mayor Johnson inquired when the Styrofoam ban goes into effect, to which the City Manager responded the ban went into effect on July 1st.

Mayor Johnson stated that the City of Oakland is going through litigation regarding plastic bags; Alameda can move forward on the matter when the coast is clear.

Councilmember Matarrese inquired what policy is in place regarding employee use of City vehicles.

The City Manager responded a number of administrative procedures are in place; information would be provided to Council.

Councilmember Matarrese stated that he wants to know what steps are taken when employees drive a City vehicle, such as determining whether the trip is necessary or carpooling is available to reduce costs and carbon footprint.

Vice Mayor Tam stated a complaint was received from an employee regarding being required to use an electric vehicle; inquired whether there was a procedure requiring that the employee had to use the electric vehicle.

The City Manager responded the electric vehicle was assigned to the function of the job.

Mayor Johnson inquired whether electric vehicles are stationed throughout the City.

The City Manager responded various departments have been assigned electric vehicles; stated some are used for carpooling, others are assigned to individuals; the electric vehicles have charging issues; two electric vehicles are fast charging.

Councilmember deHaan requested an evaluation of electric vehicles to see whether the vehicles' purpose is being fulfilled; stated future decisions will need to be made.

COUNCIL COMMUNICATIONS

(08-317) Consideration of Mayor's nominations for the Commission on Disability Issues and the Economic Development Commission

Mayor Johnson nominated Leslie Krongold for appointment to the Commission on Disability Issues and Donna Milgram for appointment to the Economic Development Commission.

(08-318) Councilmember Matarrese stated that a group went to Asuchio, El Salvador last week; a greeting card was sent back which he will have translated and circulated to Council.

ADJOURNMENT

There being no further business, Mayor Johnson adjourned the Regular Meeting at 11:11 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Brown Act.

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
TUESDAY- -JULY 15, 2008- -6:20 P.M.

Mayor Johnson convened the Special Meeting at 6:25 p.m.

Roll Call - Present: Councilmembers deHaan, Gilmore,
Matarrese, Tam, and Mayor Johnson - 5.

Absent: None.

The Special Meeting was adjourned to Closed Session to consider:

(08-300) Conference with Legal Counsel - Existing Litigation
(54956.9); Name of Case: Hart v. City of Alameda.

Following the Closed Session, the Special Meeting was reconvened and Mayor Johnson announced that Council provided direction and authorization to Legal Counsel regarding a potential offer of compromise.

Adjournment

There being no further business, Mayor Johnson adjourned the Special Meeting at 7:05 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Brown Act.

MINUTES OF THE SPECIAL JOINT CITY COUNCIL AND
PUBLIC UTILITIES BOARD (PUB) MEETING
TUESDAY- -JULY 15, 2008- -6:45 P.M.

Mayor Johnson convened the Special Joint Meeting at 7:05 p.m.

ROLL CALL - Present: Councilmembers deHaan, Gilmore, Matarrese, Tam, and Mayor Johnson; Board Members Hamm, Holmes, Kurita, McCahan, and McCormick - 10.

Note: Board Member Hamm was present via teleconference from Royal Meridien Hotel, Sahar Airport Road, Andheri East, Mumbai, 400099, India.

Absent: None.

The Special Joint Meeting was adjourned to Closed Session to consider:

(08-301) Conference with Legal Counsel - Existing Litigation (54956.9); Name of Case: Vectren Communications Services, Inc. v. City of Alameda.

Following the Closed Session, the Special Joint Meeting was reconvened and Mayor Johnson announced that Council and the PUB received a briefing from Legal Counsel regarding the status of the litigation; Council and the PUB authorized expenditure of defense costs.

Adjournment

There being no further business, Mayor Johnson adjourned the Special Meeting at 7:30 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Brown Act.

MINUTES OF THE SPECIAL COMMUNITY IMPROVEMENT COMMISSION MEETING
TUESDAY- -JULY 15, 2008- -7:31 P.M.

Chair Johnson convened the Community Improvement Commission Meeting at 11:11 p.m.

ROLL CALL - Present: Commissioners deHaan, Gilmore, Matarrese, Tam, and Chair Johnson - 5.

Absent: None.

MINUTES

(08-37) Minutes of the Special Joint City Council, Alameda Public Financing Authority, Alameda Reuse and Redevelopment Authority, and Community Improvement Commission Meeting held on June 17, 2008. Approved.

Commissioner Tam moved approved of the minutes.

Commissioner Matarrese seconded the motion, which carried by unanimous voice vote - 5.

AGENDA ITEMS

(08-38) Public Hearing to consider the Periodic Review of the City of Alameda's Alameda Point Improvement Project Five-Year Implementation Plan.

The Development Services Manager gave a brief presentation.

Commissioner Matarrese inquired whether any comments were received from the Economic Development Commission (EDC).

The Development Services Manager responded no specific comments were received; stated the EDC appreciated being kept up to date.

The Development Services Manager gave a Power Point presentation.

Commissioner Tam stated the staff report notes that SunCal would be updating the Sports Complex Master Plan in September; inquired whether the Master Plan would be previewed at the August workshop, to which the Development Services Director responded in the negative.

The Assistant City Manager stated SunCal would be having meetings with the Youth Commission and Recreation and Park Commission in August.

Chair Johnson inquired whether the Recreation and Park Commission would make recommendations to Council and the Alameda Reuse and Redevelopment Authority (ARRA), to which the Development Services Manager responded in the affirmative.

Chair Johnson stated the demand for athletic facilities has changed since the mid 1990's.

(08-39) Recommendation to authorize the Executive Director to enter into Contracts with the Park Street Business Association and the West Alameda Business Association for Fiscal Year 2008-2009.

The Development Services Director gave a brief presentation.

Commissioner deHaan inquired whether the CIC budget increased by 3%.

The Development Services Director responded the general tax increment increased by approximately 3.5% overall; stated the CIC budget did not increase; business associations are important to the City as an economic development engine.

Chair Johnson stated the City does not spend money on business promotion; grant funding allows the West Alameda Business Association (WABA) and Park Street Business Association (PSBA) to market City businesses.

Commissioner Matarrese stated the grants bolster business; the General Fund budget is impacted because sales tax is generated; questioned whether the proposed funding amount is enough; inquired whether there is a way to quantify how the City's investment correlates to an increase in sales tax.

The Development Services Director responded that she did not know.

Commissioner Matarrese stated said matter should be reviewed because the General Fund is impacted by investing approximately \$225,000 [in the business associations].

Chair Johnson stated that she is comfortable with the grant funding increase; business districts need to fund themselves; Alameda Towne Centre pays for maintenance and other costs; PSBA and WABA spend a lot of money on marketing and promotion; shopping centers are required to be open for certain hours and days per week; the City does not have the same control over the business districts; PSBA members contribute \$140,417 to their own organization; WABA members contribute \$66,700 to their own organization.

(08-40) Commissioner Matarrese moved approval of continuing the meeting past midnight.

Chair Johnson seconded the motion, which carried by unanimous voice vote - 5.

Chair Johnson opened the public portion of the hearing.

Proponents (In favor of the staff recommendation): Robb Ratto, Park Street Business Association (PSBA)(provided handout); Kathy Moehring, West Alameda Business Association (WABA); Patty Jacobs, Greater Alameda Business Association (GABA).

There being no further speakers, Chair Johnson closed the public portion of the hearing.

Chair Johnson inquired why is PSBA's Landscape and Lighting assessment reduced.

Mr. Ratto responded the assessment was not utilized for a number of years and resulted in a surplus, which has run out; PSBA was going to request a 100% increase in the Landscape and Lighting assessment; property owners are not in support of an additional fee since the passing of Measure H.

Chair Johnson inquired how much PSBA spends on marking and promotion, to which Mr. Ratto responded approximately \$90,000.

Chair Johnson inquired whether PSBA pays the electric bill [for the streets] through the Landscape and Lighting assessment, to which Mr. Ratto responded in the affirmative.

Commissioner Tam stated that Landscape and Lighting assessment income is reduced from \$69,850 to \$57,417; the Business Improvement Area (BIA) income is reduced from \$102,317 to \$83,000; PSBA income is reduced from \$147,755 to \$121,500; and the grant fund amount would be increased from \$108,020 to \$111,446.

Mr. Ratto stated PSBA leaves a \$20,000 cushion when event budgeting is prepared just in case something happens; most of the \$20,000 goes back into the promotion budget.

Following Ms. Moehring's comments, Chair Johnson inquired how much WABA spends on marketing and promotion, to which Ms. Moehring responded \$71,000.

Commissioner Matarrese stated data needs to be gathered on the correlation of increased sales tax and the City's return.

Following Ms. Jacob's comments, Chair Johnson stated WABA and PSBA's marketing, advertising, and promotion costs justify the investment; GABA provides an excellent service to its members; public benefit needs to be highlighted.

Ms. Jacobs stated that there is a direct correlation between strong, healthy businesses and public benefit; GABA does not put on public events; GABA's advertising remains consistent; a monthly two-page spread is placed in the Alameda Sun which lists all GABA members; GABA affords low-cost, full color advertising to any GABA business.

Chair Johnson stated a certain percentage of grant funding should be used for marketing and promotion; a threshold should be set.

Commissioner Matarrese stated the City receives three benefits from PSBA and WABA: 1) street maintenance; 2) sales tax revenue; and 3) business license tax revenue; investments should be reviewed every year to see the correlation with the return.

Chair Johnson stated GABA's administrative costs are funded; that she is not sure whether using grant funding for said purpose is appropriate.

Commissioner deHaan stated GABA is a very small operation, but is viable and important; four members would be impacted when Orchard Supply Hardware moves into the Alameda Towne Centre; GABA's proposed grant amount is not that monumental.

Chair Johnson stated that she does not have a problem with the amount, but with funding administrative costs; requiring that a certain percentage of funding be spent on marketing, advertising, and promotion would satisfy the requirement of ensuring a return to the public; the City does not fund the Chamber of Commerce and Harbor Bay Business Park.

Ms. Jacobs stated one of the reasons for the inception of GABA was to afford businesses outside the two districts an opportunity and venue to be an association.

Chair Johnson stated GABA provides a very useful, valuable function to its members; the question is how to ensure that the public is getting a return; Alameda has many worthy non-profits that are not funded; inquired whether PSBA or WABA would have any problem with setting a 40%-50% threshold [for advertising and promotion], to

which Mr. Ratto and Ms. Moehring responded in the negative.

Commissioner deHaan moved approval of the staff recommendation.

Chair Johnson stated that a requirement should be added regarding spending a certain percentage of grant funding on marketing and promotion.

Commissioner Matarrese seconded the motion with inclusion of a policy for promotion and evaluation for GABA [in addition to PSBA and WABA; stated the issue is a policy decision; a return is needed if the City invests approximately \$225,000 in tax dollars; the return can be predicated on 50% of grant funding going to promotion; evaluations need to be performed.

Commissioner Gilmore stated the measurement [of success] would be difficult for GABA because GABA is spread across the City.

Chair Johnson stated customer surveys could be performed.

Commissioner Matarrese stated business license fees are calculated on gross; increased performance could be reviewed.

Councilmember deHaan concurred that an evaluation needs to be performed.

Commissioner Tam stated sales tax revenue has been flat for many years; a better measurement would be the return to the City; business districts take care of the street maintenance and advertising, which the City cannot do; she does not want measurement tied directly to producing a business tax increment.

Commissioner Matarrese stated that business license tax and sales tax revenues are a bottom line measurement.

Commissioner Tam clarified that the motion is to fund recommended levels to all three business districts; inquired what would be the threshold for advertising and promotion.

Chair Johnson responded 50%; stated GABA can advise how their success would be measured.

Commissioner Gilmore stated GABA is different from PSBA and WABA; PSBA and WABA are spending an incredible amount of money on advertising; GABA has never spent 50% of grant funding on advertising.

Eric Kos, GABA President, stated that he has been GABA President

for four terms; grant funding was not provided in the first two terms; an attempt was made to provide a public event that benefited the community; a successful location was not available; educational roundtables are being proposed.

Chair Johnson stated that having a public event would not be a requirement; the intent is to use some of the grant funding on marketing and promotion; increasing membership would help.

Commissioner Gilmore stated GABA is being requested to spend \$6,000 on advertising.

Mr. Kos stated most promotions are done on a volunteer basis.

Chair Johnson stated dollar amounts could be assigned to in-kind donations.

Commissioner deHaan stated GABA could provide its own measuring devise.

Commissioner deHaan amended the motion to include that GABA would come back with a measuring devise showing fulfillment to their commitment.

Commissioner Matarrese stated the motion should include that PSBA, WABA, and GABA spend 50% of CIC grant funding on advertising and promotion; the policy is that the City would get a return when contributions are made to business associations and requirements are in place.

By consensus, the motion carried by unanimous voice vote - 5.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:33 a.m.

Respectfully submitted,

Lara Weisiger
Secretary

The agenda for this meeting was posted in accordance with the Brown Act.